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FEDERAL COMMUNICATIONS COMMISSION  
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Carolina Telephone  
Centel-North Carolina  
Centel-Virginia  
United Telephone-Southeast

EXECUTIVE SECRETARY

August 1, 1997

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

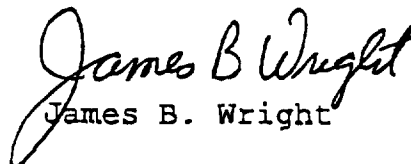
RE: Docket No. 97-00888 (Universal Service)  
Sprint Comments on Cost Model Development

Dear Mr. Waddell:

In response to the Hearing Officer's Notice of Proposed Schedule And Request For Comments distributed in the July 28, 1997, Prehearing Conference in the above case, enclosed are the original and thirteen copies of the Joint Comments of Sprint Communications Company L.P. and United Telephone-Southeast, Inc. regarding whether the Tennessee Regulatory Authority should develop its own cost study for Universal Service purposes.

Please contact me or Laura Sykora (919-554-7323) if you have any questions regarding this filing.

Very truly yours,

  
James B. Wright

Enclosures

cc: Laura Sykora  
Steve Parrott  
Bob Wallace  
Carolyn Roddy  
Attached Participants List

#11405

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

IN RE: UNIVERSAL SERVICE GENERIC )  
CONTESTED CASE )

DOCKET NO. 97-00888

COMMENTS OF SPRINT COMMUNICATIONS COMPANY L.P.  
AND UNITED TELEPHONE-SOUTHEAST, INC.  
REGARDING TRA NOTIFICATION ON COST MODEL

The Hearing Officer's Notice of Proposed Schedule And Request For Comments distributed at the July 28, 1997, Prehearing Conference in this case requested comments on whether or not the Tennessee Regulatory Authority should develop its own cost study for Universal Service Fund purposes. Pursuant to paragraph 248 of the Federal Communications Commission May 17, 1997 Order in FCC Docket No. 96-45 ("FCC Order"), a state electing to develop its own cost study must notify the FCC by August 15, 1997. On this issue, Sprint Communications Company L.P. and United Telephone-Southeast, Inc. (collectively referred to as "Sprint") offer the following comments.

Sprint supports the Tennessee Regulatory Authority working with the Telecommunications Service Providers in Tennessee to select a cost model that is most appropriate for the state of Tennessee to further the goals of Universal Service. Sprint believes there is considerable merit to basing interstate and intrastate funding of Universal Service upon the same underlying cost model.

Sprint also believes it is important in selecting a model to follow the FCC's criteria outlined in paragraph 250 of the FCC Order. As outlined in paragraph 248 of the FCC's Order, the FCC states "as the basis for calculating federal universal service support in their states, we will use forward-looking economic cost studies conducted by state commissions that choose to submit such cost studies to determine universal service support." By following a process whereby the TRA selects and submits a model to the FCC by February 6, 1998 that complies with the FCC's criteria, the companies operating in Tennessee will have interstate Universal Service support based upon the same model as the TRA has determined to be the most appropriate for the companies in Tennessee. The use of the same cost study model for intrastate and interstate funding purposes is important to assure there is not a shortfall or windfall of funding support to the local service providers.

Respectfully submitted,

SPRINT COMMUNICATIONS COMPANY L.P.  
UNITED TELEPHONE-SOUTHEAST, INC.

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Dated: August 1, 1997

CERTIFICATE

Universal Service (Docket No. 97-00888)

The undersigned hereby certifies that a copy of the Joint Comments of United Telephone-Southeast, Inc. and Sprint Communications Company L.P. filed in the above docket is being provided to each of the following participants, by placing a copy of the same in the United States Mail postage prepaid and addressed as follows:

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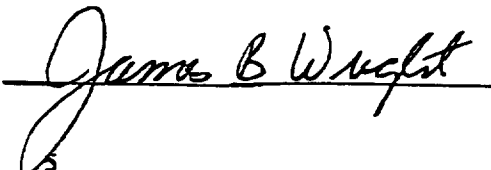
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This 1st day of August, 1997

  
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